

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 9600
ORDER NO. R-8873

APPLICATION OF ARTHUR B. RAMSEY
d/b/a RAMSEY PETROLEUM COMPANY
FOR A UNIT AGREEMENT, HIDALGO
COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on February 15, 1989, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 1st day of March, 1989, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Arthur B. Ramsey d/b/a Ramsey Petroleum Company, seeks approval of the Playas Valley Unit Agreement for all oil and gas in any and all formations underlying the following described 6280 acres, more or less, of State lands in Hidalgo County, New Mexico:

TOWNSHIP 26 SOUTH, RANGE 17 WEST, NMPM
Section 34: NE/4 and SW/4
Section 35: E/2

TOWNSHIP 27 SOUTH, RANGE 17 WEST, NMPM
Section 1: All
Section 2: N/2
Section 3: N/2
Section 4: All
Section 5: E/2 SE/4
Section 8: NE/4 NE/4 and S/2 NE/4
Section 9: N/2
Sections 12 and 13: All
Sections 23 through 25: All.

(3) The NE/4 of Section 34, Township 26 South, Range 17 West, NMPM, Hidalgo County, New Mexico, is not contiguous with the remainder of the unit and should therefore be deleted.

(4) No interested party appeared and objected to the proposed unit area.

(5) All plans of development and operation, and creations, expansions or contractions of participating areas, or expansions or contractions of the unit area should be submitted to the Director of the Division for approval.

(6) Approval of the proposed unit agreement should promote the prevention of waste and protection of correlative rights within the unit area.

IT IS THEREFORE ORDERED THAT:

(1) The Playas Valley Unit Agreement is hereby approved for all oil and gas in any and all formations underlying 6120 acres, more or less, of the following described State lands in Hidalgo County, New Mexico:

TOWNSHIP 26 SOUTH, RANGE 17 WEST, NMPM

Section 34: SW/4

Section 35: E/2

TOWNSHIP 27 SOUTH, RANGE 17 WEST, NMPM

Section 1: All

Section 2: N/2

Section 3: N/2

Section 4: All

Section 5: E/2 SE/4

Section 8: NE/4 NE/4 and S/2 NE/4

Section 9: N/2

Sections 12 and 13: All

Sections 23 through 25: All.

(2) The NE/4 of Section 34, Township 26 South, Range 17 West, NMPM, Hidalgo County, New Mexico, which was originally requested to be part of the subject unit, shall be omitted at this time for lack of contiguity.

(3) The plan contained in said unit agreement for the development and operation of the unit area is hereby approved in principle as a proper conservation measure; provided however, notwithstanding any of the provisions contained in said unit agreement, this approval shall not be considered as waiving or relinquishing, in any manner, any right, duty or obligation which is now, or may hereafter be, vested in the Division to supervise and control operations for the unit and production of oil and gas therefrom.

Case No. 9600
Order No. R-8873
Page No. 3

(4) The unit operator shall file with the Division an executed original or executed counterpart of the unit agreement within 30 days after the effective date thereof; in the event of subsequent joinder by any other party or expansion or contraction of the unit area, the unit operator shall file with the Division, within 30 days thereafter, counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.

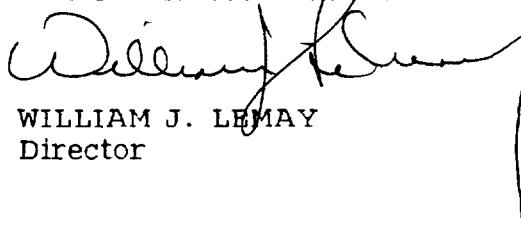
(5) All plans of development and operation, all unit participating areas and expansions or contractions of the unit area, shall be submitted to the Director of the Oil Conservation Division for approval.

(6) This order shall become effective upon the approval of said unit agreement by the Commissioner of Public Lands for the State of New Mexico; this order shall terminate ipso facto upon the termination of said unit agreement; and the last unit operator shall notify the Division immediately in writing of such termination.

(7) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L